

62-1060

Brooks Township

(Newaygo)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

RECEIVED

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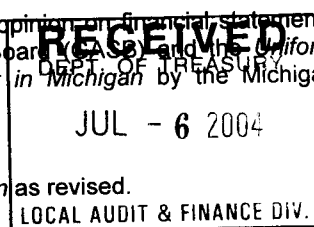
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AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name BROOKS TOWNSHIP	County NEWAYGO
Audit Date March 31, 2004	Opinion Date June 8, 2004	Date Accountant Report Submitted to State: July 2, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Countries and Local Units of Government in Michigan by the Michigan Department of Treasury.



We affirm that:

- We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
- We have certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | | |
|------------------------------|--|---|
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) BRICKLEY DELONG, PLC			
Street Address 500 TERRACE PLAZA, P.O. BOX 999		City Muskegon	State Michigan
Accountant Signature <i>Timothy D. Carter, C.P.A. for Brickley DeLong, PLC</i>		ZIP 49443	

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BRICKLEY DE LONG
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

June 8, 2004

Township Board
Brooks Township
Newaygo, Michigan

We have audited the accompanying general purpose financial statements of Brooks Township as of and for the year ended March 31, 2004 as listed in the table of contents. These general purpose financial statements are the responsibility of Brooks Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Brooks Township as of March 31, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements as provided on pages 17 through 23 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Brooks Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Brickley DeLong, PLLC

Brooks Township
COMBINED BALANCE SHEET—ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2004

ASSETS

	Governmental Fund Types		Fiduciary Fund Types	Account Groups	
	General	Special Revenue	Debt Service	Trust and Agency	General fixed assets long-term debt
Cash and investments	\$ 585,106	\$ 327,790	\$ -	\$ 61,458	\$ -
Receivables	-	2,199	-	-	-
Special assessments	9,725	-	-	-	-
Taxes	33,575	-	-	-	-
Due from other governmental units	30,666	-	-	-	-
Due from other funds	-	-	-	-	1,221,786
Property and equipment—at cost	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	3,994
	<u>\$ 659,072</u>	<u>\$ 329,989</u>	<u>\$ -</u>	<u>\$ 61,458</u>	<u>\$ 1,221,786</u> <u>\$ 3,994</u>

LIABILITIES AND FUND EQUITY

LIABILITIES					
Accounts payable	\$ 4,777	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	30,666	-	-	-
Deferred revenues	-	1,900	-	-	-
Long-term debt	-	-	-	-	3,994
	<u>4,777</u>	<u>32,566</u>	<u>-</u>	<u>-</u>	<u>3,994</u>
FUND EQUITY					
Investment in general fixed assets	-	-	-	-	-
Fund balances	-	181,786	-	-	-
Reserved for improvements	-	-	-	61,458	-
Reserved for pension benefits	654,295	115,637	-	-	-
Undesignated	<u>654,295</u>	<u>297,423</u>	<u>-</u>	<u>61,458</u>	<u>-</u>
	<u>\$ 659,072</u>	<u>\$ 329,989</u>	<u>\$ -</u>	<u>\$ 61,458</u>	<u>\$ 1,221,786</u> <u>\$ 3,994</u>

The accompanying notes are an integral part of this statement.

Brooks Township
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES—ALL GOVERNMENTAL FUND TYPES
Year ended March 31, 2004

	General	Special Revenue	Debt Service
Revenues			
Taxes	\$ 79,987	\$ -	\$ -
Licenses and permits	20,237	-	-
Intergovernmental revenues—state	288,210	-	-
Charges for services	47,027	-	-
Fines and forfeitures	125	-	-
Special assessments	-	2,220	-
Investment income	7,424	4,437	-
Other	23,538	-	-
	<u>466,548</u>	<u>6,657</u>	<u>-</u>
Expenditures			
Current			
Legislative	116,646	-	-
General government	172,279	-	-
Public works	140,104	-	-
Culture and recreation	16,827	-	-
Capital outlay	16,077	-	-
Debt service	-	-	8,937
Principal	-	-	680
Interest and fees	<u>461,933</u>	<u>-</u>	<u>9,617</u>
	4,615	6,657	(9,617)
Excess of revenues over (under) expenditures			
Other financing sources (uses)			
Operating transfers in	1,983	-	3,662
Operating transfers out	<u>-</u>	<u>(3,662)</u>	<u>(1,983)</u>
	1,983	(3,662)	1,679
Excess of revenues and other financing sources over (under) expenditures and other financing uses	6,598	2,995	(7,938)
Fund balances at April 1, 2003	<u>647,697</u>	<u>294,428</u>	<u>7,938</u>
Fund balances at March 31, 2004	<u>\$ 654,295</u>	<u>\$ 297,423</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Brooks Township
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL—
GENERAL AND SPECIAL REVENUE FUNDS
Year ended March 31, 2004

	General Fund			Special Revenue Funds		
	Amended budget	Actual	Over (under) amended budget	Amended budget	Actual	Over (under) amended budget
Revenues						
Taxes	\$ 82,765	\$ 79,987	\$ (2,778)	\$ -	\$ -	\$ -
Licenses and permits	16,200	20,237	4,037	-	-	-
Intergovernmental revenues—state	268,000	288,210	20,210	-	-	-
Charges for services	46,000	47,027	1,027	-	-	-
Fines and forfeitures	500	125	(375)	-	-	-
Special assessments	-	-	-	10,325	2,220	(8,105)
Investment income	12,600	7,424	(5,176)	9,000	4,437	(4,563)
Other	15,500	23,538	8,038	-	-	-
	<u>441,565</u>	<u>466,548</u>	<u>24,983</u>	<u>19,325</u>	<u>6,657</u>	<u>(12,668)</u>
Expenditures						
Current						
Legislative	142,399	116,646	(25,753)	-	-	-
General government	184,844	172,279	(12,565)	-	-	-
Public works	207,640	140,104	(67,536)	-	-	-
Culture and recreation	20,000	16,827	(3,173)	-	-	-
Other governmental activities	11,682	-	(11,682)	-	-	-
Capital outlay	-	16,077	16,077	-	-	-
	<u>566,565</u>	<u>461,933</u>	<u>(104,632)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(125,000)</u>	<u>4,615</u>	<u>129,615</u>	<u>19,325</u>	<u>6,657</u>	<u>(12,668)</u>
Other financing uses						
Operating transfers in	125,000	1,983	(123,017)	-	-	-
Operating transfers out	-	-	-	(10,325)	(3,662)	6,663
	<u>125,000</u>	<u>1,983</u>	<u>(123,017)</u>	<u>(10,325)</u>	<u>(3,662)</u>	<u>6,663</u>
Excess of revenues over (under) expenditures and other financing uses	<u>\$ -</u>	<u>6,598</u>	<u>\$ 6,598</u>	<u>\$ 9,000</u>	<u>2,995</u>	<u>\$ (6,005)</u>
Fund balances at April 1, 2003		<u>647,697</u>			<u>294,428</u>	
Fund balances at March 31, 2004		<u>\$ 654,295</u>			<u>\$ 297,423</u>	

The accompanying notes are an integral part of this statement.

Brooks Township
Pension Trust Fund
STATEMENT OF CHANGES IN PLAN NET ASSETS
Year ended March 31, 2004

ADDITIONS	
Employer contributions	\$ 10,037
Investment income	
Net appreciation in fair value	<u>14,786</u>
	<u>24,823</u>
DEDUCTIONS	
Investment fees	<u>743</u>
	24,080
NET INCREASE FOR THE YEAR	
Net assets held in trust for pension benefits at April 1, 2003	<u>37,378</u>
Net assets held in trust for pension benefits at March 31, 2004	<u>\$ 61,458</u>

The accompanying notes are an integral part of this statement.

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Brooks Township (Township) is a common law township governed by an elected five-member board.

Generally accepted accounting principles require that if the Township has certain oversight responsibilities over other organizations, those organizations should be included in the Township's financial statements. Since no organizations met this criteria, none are included in the financial statements.

2. Fund Accounting

The accounts of the Township are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The following fund categories (further divided by fund type) and account groups are used by the Township:

Governmental Funds

Governmental funds are used to account for the Township's general government activities. The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects). The debt service funds account for the servicing of general long-term debt.

Fiduciary Fund

The fiduciary fund accounts for assets held by the Township on behalf of others in a fiduciary capacity. Pension trust funds account for assets held in a fiduciary capacity for employee retirement benefits.

Account Groups

The general fixed assets account group is used to account for fixed assets. The general long-term debt account group is used to account for general long-term debt.

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

3. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are presented using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources.

The governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Township considers all revenues available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments which are recognized when the obligations are expected to be liquidated with available expendable financial resources.

Property taxes, franchise taxes, licenses, interest, and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the Township and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Pension trust funds are custodial in nature and utilize accrual accounting.

4. Assets, Liabilities and Equity

a. Deposits and Investments

The Township’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition.

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

4. Assets, Liabilities and Equity—Continued

a. Deposits and Investments—Continued

The Township has adopted an investment policy in compliance with State of Michigan statutes. These statutes authorize the Township to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers acceptances, state-approved investment pools, and certain mutual funds.

Pension plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

The Township's pension trust investments are held in trust by the investment fiduciary, The Manufacturers Life Insurance Company. Michigan Compiled Laws, Section 38.1132, authorizes the Township's plan to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contracts obligations of a specified nature, and real or personal property.

b. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available expendable financial resources.

The Township bills and collects its own property taxes. Taxes are levied on December 1 and are due without penalty on or before February 28. The property taxes attach as an enforceable lien on property as of December 1. Uncollected real property taxes as of February 28 are turned over by the Township to the County for collection. The County advances the Township all of these delinquent real property taxes. Collection of delinquent personal property taxes as of February 28 remain the responsibility of the Township Treasurer. Since substantially all Township property taxes levied are current receivables, tax revenues are recognized when levied.

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

4. Assets, Liabilities and Equity—Continued

b. Receivables and Payables—Continued

The 2003 state taxable value for real/personal property of the Township totaled \$92,098,602 on which ad valorem taxes levied consisted of .853 mills for operating purposes. These amounts are recognized in the General Fund financial statements.

c. Property and Equipment

Property and equipment used in governmental fund types of the Township are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

d. Long-Term Obligations

The Township reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

e. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets, as required by state statutes, are adopted on a basis consistent with generally accepted accounting principles for all the governmental funds except capital projects funds.

The Township follows these procedures in establishing the budgetary information provided in the financial statements:

- a. Prior to the first week of March, the Township Supervisor submits to the Township Board a proposed operating budget for the year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
- c. Not later than the first week in March, the budget is legally enacted through passage of a resolution.
- d. Supplemental appropriations, when required to provide for additional expenditures, are matched by additional anticipated revenues or an appropriation of available fund balance and must be approved by the Township Board. All appropriations lapse at year end.

The appropriated budget is prepared by fund, function, and department. The Township's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Township Board. The legal level of budgetary control is the department level. The Township Board made several supplemental budgetary appropriations throughout the year.

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
 March 31, 2004

NOTE C—DEPOSITS AND INVESTMENTS

1. Deposits

The Township's deposits are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes deposits insured or collateralized with securities held by the entity or its agent in the entity's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes deposits which are uncollateralized.

As of March 31, 2004, the Township's carrying amount of deposits was \$378,396 and the bank balance was \$455,050. Of the bank balance, \$6,348 was covered by federal depository insurance. The remaining \$391,570 was uninsured and uncollateralized.

2. Investments

As of March 31, 2004, the Township's investments represented holdings in mutual funds and certificates of deposit with maturities of longer than six months. During the year ended March 31, 2004, the Township's investments were only in these types of investments.

The Township's investments are categorized below to give an indication of the level of risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or the securities held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Township's name. Mutual funds are not categorized. As of March 31, 2004, the Township's carrying amount and market value in those mutual funds was \$61,717.

	<u>Category</u>			<u>Carrying amount</u>	<u>Market value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Certificates of deposit	\$188,061	\$ 42,180	\$ -	\$ 230,241	\$ 230,241
U.S. Government Securities	-	156,000	-	156,000	156,225
Corporate Bonds	-	<u>148,000</u>	-	<u>148,000</u>	<u>147,557</u>
	<u>\$188,061</u>	<u>\$346,180</u>	<u>\$ -</u>	<u>\$ 534,241</u>	<u>\$ 534,023</u>

The composition of pension trust fund investments at fair value is included in the previous paragraph and shown as follows:

Managed domestic stock funds	\$ 60,318
International stock funds	<u>1,140</u>
	<u>\$ 61,458</u>

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
 March 31, 2004

NOTE D—INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
<i>Due from/to other funds</i>		
General Fund	\$ 30,666	\$ -
Special Revenue Funds	<u>-</u>	<u>30,666</u>
	<u>\$ 30,666</u>	<u>\$ 30,666</u>

NOTE E—PROPERTY AND EQUIPMENT

Changes in the components of the general fixed assets account group are summarized as follows:

	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2004</u>
Land and land improvements	\$ 872,491	\$ -	\$ -	\$ 872,491
Buildings	289,107	-	-	289,107
Equipment	<u>46,738</u>	<u>13,450</u>	<u>-</u>	<u>60,188</u>
	<u>\$1,208,336</u>	<u>\$ 13,450</u>	<u>\$ -</u>	<u>\$1,221,786</u>

NOTE F—LONG-TERM DEBT

1. Summary of and Changes in Long-Term Debt

Long-term debt at March 31, 2004 is comprised of the following:

	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 2004</u>
<i>General long-term debt account group</i>				
Note payable to bank due in annual installments of \$7,225, including interest at 5.25%; final payment made July 2003	\$ 6,919	\$ -	\$ 6,919	\$ -
Note payable to bank due in annual installments approximating \$2,300, including interest at 6.25%; final payment due June 2005	<u>6,012</u>	<u>-</u>	<u>2,018</u>	<u>3,994</u>
	<u>\$ 12,931</u>	<u>\$ -</u>	<u>\$ 8,937</u>	<u>\$ 3,994</u>

Brooks Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE F—LONG-TERM DEBT—Continued

2. Summary of Annual Requirements

The annual requirements to pay debt service, including interest of \$396, on the long-term debt outstanding at March 31, 2004 are as follows:

<u>Fiscal year ending</u>	<u>General long-term debt</u>
2005	\$ 2,091
2006	<u>2,299</u>
	<u>\$ 4,390</u>

NOTE G—OTHER INFORMATION

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of commercial insurance, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There have been no losses in excess of insurance in the past three years.

NOTE H—PENSION PLAN

The Township provides pension benefits for all of its board members and full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Township is required to contribute an amount equal to 10 percent of the qualified employees' annual compensation each plan year. For the year ended March 31, 2004, pension expense was \$10,037, including certain fees.

COMBINING AND INDIVIDUAL FUND STATEMENTS

Brooks Township
General Fund
STATEMENT OF EXPENDITURES—BUDGET AND ACTUAL
Year ended March 31, 2004

	Amended budget	Actual	Over (under) amended budget
Legislative			
Governing body	\$ 142,399	\$ 116,646	\$ (25,753)
General government			
Supervisor	33,784	32,027	(1,757)
Elections	4,450	1,835	(2,615)
Board of review	1,845	1,247	(598)
Clerk	44,180	42,924	(1,256)
Treasurer	41,863	35,786	(6,077)
Assessor	24,850	24,783	(67)
Township hall	33,872	33,677	(195)
	<u>184,844</u>	<u>172,279</u>	<u>(12,565)</u>
Public works			
Zoning board/commission	18,445	9,684	(8,761)
Other planning or zoning activities	31,195	26,797	(4,398)
Street lighting	3,000	2,476	(524)
Roads	155,000	101,147	(53,853)
	<u>207,640</u>	<u>140,104</u>	<u>(67,536)</u>
Culture and recreation			
Parks	20,000	16,827	(3,173)
Other governmental activities			
Capital outlay	11,682	-	(11,682)
	<u>-</u>	<u>16,077</u>	<u>16,077</u>
	<u>\$ 566,565</u>	<u>\$ 461,933</u>	<u>\$ (104,632)</u>

Brooks Township
Special Revenue Funds
COMBINING BALANCE SHEET
March 31, 2004

	ASSETS			
	<u>Combined</u>	<u>Budget Stabilization</u>	<u>Improvement Revolving</u>	<u>Lockwood</u> <u>Popell</u>
Cash and investments	\$ 327,790	\$ 113,247	\$ 212,452	\$ 2,091
Accounts receivable	<u>2,199</u>	<u>-</u>	<u>-</u>	<u>2,199</u>
Special assessments	<u>\$ 329,989</u>	<u>\$ 113,247</u>	<u>\$ 212,452</u>	<u>\$ 4,290</u>

	FUND BALANCES			
LIABILITIES				
Due to other funds	\$ 30,666	\$ -	\$ 30,666	\$ -
Deferred revenues	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>1,900</u>
	<u>32,566</u>	<u>-</u>	<u>30,666</u>	<u>1,900</u>
FUND BALANCES				
Reserved for improvements	181,786	-	181,786	-
Undesignated	<u>115,637</u>	<u>113,247</u>	<u>-</u>	<u>2,390</u>
	<u>\$ 329,989</u>	<u>\$ 113,247</u>	<u>\$ 212,452</u>	<u>\$ 4,290</u>

Brooks Township
Special Revenue Funds
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**
Year ended March 31, 2004

	Combined	Budget Stabilization	Improvement Revolving	Lockwood	Popell
Revenues					
Special assessments	\$ 2,220	\$ -	\$ -	\$ 129	\$ 2,091
Investment income	4,437	1,570	2,537	31	299
	<u>6,657</u>	<u>1,570</u>	<u>2,537</u>	<u>160</u>	<u>2,390</u>
Other financing uses					
Operating transfers out	<u>(3,662)</u>	<u>-</u>	<u>-</u>	<u>(1,272)</u>	<u>(2,390)</u>
Excess of revenues over (under) other financing uses	2,995	1,570	2,537	(1,112)	-
Fund balances at April 1, 2003	<u>294,428</u>	<u>111,677</u>	<u>179,249</u>	<u>1,112</u>	<u>2,390</u>
Fund balances at March 31, 2004	<u>\$ 297,423</u>	<u>\$ 113,247</u>	<u>\$ 181,786</u>	<u>\$ -</u>	<u>\$ 2,390</u>

Brooks Township
Debt Service Funds
COMBINING BALANCE SHEET
March 31, 2004

ASSETS

	<u>Combined</u>	<u>Lockwood</u>	<u>Popell</u>
Cash and investments	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

FUND BALANCES

FUND BALANCES
Reserved for debt service

\$ -	\$ -	\$ -
\$ -	\$ -	\$ -

Brooks Township
Debt Service Funds
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**
Year ended March 31, 2004

	Combined	Lockwood	Popell
Expenditures			
Debt service	\$ 8,937	\$ 6,919	\$ 2,018
Principal	680	308	372
Interest and fees	<u>9,617</u>	<u>7,227</u>	<u>2,390</u>
Other financing sources			
Operating transfers in	3,662	1,272	2,390
Operating transfers out	<u>(1,983)</u>	<u>(1,983)</u>	<u>-</u>
	<u>1,679</u>	<u>(711)</u>	<u>2,390</u>
Excess of other financing sources over (under) expenditures	(7,938)	(7,938)	-
Fund balances at April 1, 2003	<u>7,938</u>	<u>7,938</u>	<u>-</u>
Fund balances at March 31, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Brooks Township
Trust and Agency Funds
COMBINING BALANCE SHEET
March 31, 2004

ASSETS

	Combined	Pension Trust Fund	Tax Collection Agency Fund
Cash and investments	\$ 61,458	\$ 61,458	\$ -
	<u>\$ 61,458</u>	<u>\$ 61,458</u>	<u>\$ -</u>

FUND BALANCES

Reserved for pension benefits	\$ 61,458	\$ 61,458	\$ -
	<u>\$ 61,458</u>	<u>\$ 61,458</u>	<u>\$ -</u>

Brooks Township
Agency Fund
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
March 31, 2004

TAX COLLECTION FUND

	April 1, 2003	Additions	Deductions	March 31, 2004
ASSETS				
Cash and investments	\$ 390	\$ 2,980,293	\$ 2,980,683	\$ -
	<u>\$ 390</u>	<u>\$ 2,980,293</u>	<u>\$ 2,980,683</u>	<u>\$ -</u>
 LIABILITIES				
Due to other funds	\$ 390	\$ 110,504	\$ 110,894	\$ -
Due to other governmental units	-	2,869,789	2,869,789	-
	<u>\$ 390</u>	<u>\$ 2,980,293</u>	<u>\$ 2,980,683</u>	<u>\$ -</u>